

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK RATIONALIZATION
SERVICE CHANGES, 2011

Docket No. N2012-1

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS NERI
TO NATIONAL NEWSPAPER ASSOCIATION INTERROGATORIES
(NNA/USPS-T4—1-4 AND 5(a-b, d-e))
(March 7, 2012)**

The United States Postal Service files the responses of witness Neri (USPS-T-4) to the above-listed interrogatories of the National Newspaper Association dated February 22, 2012. Each interrogatory is stated verbatim and followed by the response. Interrogatory NNA/USPS-T4—5(c) has been redirected to witness Mehra (USPS-T-7) for a response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS NERI TO
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NNA/USPS-T4-1

Please refer to p 16 of your testimony where you state that

“Because service standards for a portion of Periodicals is linked to First-Class Mail service standards, the Postal Service would revise the Periodicals service standards as well. The revision of 39 CFR Part 121.2 would modify the service standards for both end-to-end and destination-entry Periodicals within the contiguous United States, resulting in 2 service standards in the range of 2 - 9 delivery days.”

- a. Do changes in proposed Periodicals service standards relate to anticipated changes in First-Class transportation networks that may have carried Periodicals prepared to an Origin-Mixed (OMX) destination?
- b. If your response is yes, has the Postal Service conducted any analysis of the percentage of Periodicals mail that presently is prepared to an OMX sort? If so, please provide results of the analysis.
- c. Does use of an OMX sort and transportation option improve the service performance for Periodicals mail?
- d. If your response to part c is yes, please explain how the OMX sort speeds delivery, improves productivity or otherwise helps the Postal Service to deliver Periodicals on time.

RESPONSE:

- a. Yes.
- b. No.
- c. The service standards are aligned with the mail processing network.
- d. Not applicable.

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NNA/USPS-T4-2

On p 29 in your testimony, you predict a 15% improvement in productivity on UFSM 1000 flats sorting machines. Please refer to testimony of USPS Witness Rosenberg, USPS T-3, page 18, lines 5-6 where she indicates that UFSM 1000 machines were eliminated in her analysis of network rationalization.

a. Will UFSM 1000 machines continue to be used in any mail processing plant after network rationalization?

b. If your response is no, please explain how you determined UFSM 1000 machines would be more efficiently used in the new network?

RESPONSE:

a. No.

b. In the context of the testimony, the productivity improvement is associated with the workload processed currently on the UFSM, which would migrate to other platforms.

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NNA/USPS-T4-3

- a. When newspaper Periodicals or Standard mail flats are sorted by machine, are they most commonly sorted on the UFSM 1000 machines? Please explain your response.
- b. When UFSM 1000 machines are used, are they most commonly used in outgoing secondary sorts? Please explain your response.
- c. Has the Postal Service analyzed the relative costs of sorting newspaper flat mail, regardless of mail class or product, on a UFSM 1000 machine as compared to manual sorting? If so, please provide that analysis.
- d. If the Postal Service intends to retire UFSM 1000 machines in favor of manual sorting of non carrier route bundles of newspaper flat mail, how will that change in handling affect service in the proposed network realignment?
- e. If a UFSM 1000 machine is used, what would be the start and end times as laid out in Figure 8 of your testimony?

RESPONSE:

- a. No. In Fiscal Year 2010, less than 3 percent of Flats Mail was sorted on a UFSM1000. In addition, a significant portion of Standard Mail Flats is not sorted because some Standard Mail Flats are prepared directly to carrier route or 5-Digit, or are included in a saturation mailing.
- b. No. Currently, less than 1 percent of Flats Mail sorted on a UFSM1000 is sorted through an outgoing secondary sort.
- c. The data are provided in PRC Docket No. ACR 2011, USPS Library References USPS-FY11-11 and 23.
- d. The Postal Service will maintain performance metrics based on service standards, and will work to maintain those service standards.
- e. Not applicable.

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NNA/USPS-T4-4

Do you expect the Postal Service to handle some mail that would have been “turnaround mail” for facilities scheduled for closings or reduction of operations through hubs that will prevent that mail from being hauled to a gaining facility for processing?

RESPONSE:

The Postal Service will make a determination regarding this issue based on automation compatibility, presort depth, and whether a location has the capability to sort the mail efficiently.

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NNA/USPS-T4-5

If your response to T4-4 is yes, please respond to the following:

- a. Would such hubs be expected to handle carrier route and 5 digit containers destined for post offices within the former facility's service areas?
- b. Does the Postal Service expect to handle some timely newspaper Periodicals mail in these hubs?

- d. Do you anticipate that there will be at least one hub within the zone of every closing or reduced facility? If your response is no, please explain why.
- e. Has the Postal Service set criteria for determination of the creation of such a hub facility? If so, please provide the criteria. If your response is no, will the decision on hub creation be left to the sole discretion of district or local managers?

RESPONSE:

- a. Yes, to the extent that the use of the term "handle" in this context refers to cross-docking without explicitly stating sortation.
- b. Yes.

- d. The presence of a hub will depend on geographic coverage and logistical network requirements.
- e. No. The Postal Service has not set criteria, and it anticipates that any decision on hub creation will not be left to the sole discretion of district or local managers.